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REPORT

50X1-HUM

CD NO.

COUNTRY China

DATE OF
INFORMATION 1950

SUBJECT Economic - Petroleum industry

DATE DIST. 8 Jun 1950

HOW
PUBLISHED Daily newspapers

NO. OF PAGES 2

WHERE
PUBLISHED Canton; Hong KongDATE
PUBLISHED 5 May 1950SUPPLEMENT TO
REPORT NO.

LANGUAGE Chinese

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RISE IN PETROLEUM OUTPUT CONTINUES;
PLANS COMPLETE RESTORATION IN 3 YEARS

PETROLEUM INDUSTRY CONFERENCE SETS POLICY -- Hong Kong Ta Kung Pao, 5 May 50

Peiping, 3 May (Hsin-hua) -- The Petroleum Industry Conference held in Peiping from 13 to 20 April 1950 by the Ministry of Fuel Industries has set the policy for the industry, as follows: return the plants within 3 years to their previous best condition, effectively employ the present facilities, and to carry out a well-ordered development of the industry to meet the needs of national defense, communications, and industry.

To accomplish these aims, unified leadership must be established with planned employment of engineering cadres and equipment. The industry must carry out democratic reforms, learn modern techniques, and businesslike methods of management, to reach the goals of better quality, greater quantity, and higher efficiency.

The conference decided to press the development of the natural resources of the Northwest oil fields and to strive to restore the shale-oil production of the Northeast; first at Fushun and then at Chin-chou, Chin-hsi, and Sze-p'ing.

It was decided to train immediately a large force of petroleum industry cadres.

In summing up, the Minister of Fuel Industries stated that China has wealthy oil reserves which are widely distributed; but because of economic restrictions it is possible, at present, to work only those facilities already developed while carrying on new prospecting.

In September 1949, about one third of the facilities of the West Plant at Fu-shun was brought into production. Last year's production goals were reached and the goals doubled for 1950. The Ho-ch'eng shale-oil factory at Chin-chou will be half restored by October 1950. The works at Chin-hsi, Szu-p'ing, and Kirin are in the process of restoration and production began in February of this year.

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In the Yu-men section of the oil fields in the Northwest, the production of crude oil in 1949 was three times what it was in 1948. In general, throughout the field there was an increase of 25 percent over the period of postwar KMT operation.

PETROLEUM OUTPUT RISES -- Canton Nan-fang Jih-pao, 5 May 1950

Peiping, 30 April (Hsin-hua) -- The project to rehabilitate the main centers of the nation's petroleum industry has had marked results.

Northeast

Under the puppet government of Manchukuo, the East and West Plants of the Fu-shun Oil Refinery reached a maximum yearly output of 300,000 tons. In November 1948, following the liberation, this refinery closed operations for 3 months as a result of severe damages inflicted by the Chiang bandits. After a thoroughgoing investigation and adjustment, the West Plant had one third of its equipment in operation by September 1949, and attained its 1949 production goal. The 1950 production of oil is estimated to be twice that of 1949.

The synthetic oil industry in the Northeast operates on a comparatively good basis and, if equipment can be completely rehabilitated and adequately used, the year's output can exceed the level reached under the Japanese. The Chin-chou Oil Plant will be operating at half-capacity by October 1950. During the period in which workers organized to protect machinery and equipment from KMT sabotage, the Chin-hsi, Ssu-p'ing, and Kirin plants also carried out investigations and adjustments. The Dairen Refinery was rehabilitated and started production in February 1950.

Northwest

The Northwest district has a rich store of natural petroleum which is now being exploited at Yu-men, Wu-lan, and Yen-ch'ang. The Yu-men field, one of China's largest, was still in operation following the liberation. Because the original equipment was inadequate, and transport and marketing were problematic, daily production stayed at the pre-liberation level, which only represented four sevenths of capacity. But output has been raised to the point where the average daily production of gasoline and kerosene, during the period December 1949 - March 1950, was more than 25 percent above the average for the 9 months preceding liberation. The [Yu-men] Solvent-Extraction and Wax-Centrifugation Plants are constructing experimental cracking columns which are to start production on 1 May and are expected to raise the quality of the product above that of 1949.

The Yen-ch'ang Petroleum Refinery was badly damaged by KMT attacks in 1947, but the heroic efforts of the workers saved the most vital machinery and equipment. Production was speedily resumed after the KMT retreat. The 1949 output of petroleum more than trebled that of 1948, while the production of gasoline and kerosene was raised 13 percent above 1948.

The kerosene plants established under the Japanese were almost completely destroyed. Following the liberation of Shanghai, this equipment was supplemented through the facilities of the former China Petroleum Corporation (Chung-kuo Shih-yu Kuang-ssu) Storage Office and production was resumed.

Workers everywhere are attempting to cut expenses and to salvage useful material from scrap piles. But the administration of the various plants is still not a sufficiently business-like basis and waste expenditures are severe. Steps must be taken to plan more accurately, eliminate waste, set quotas, reduce production costs, and secure a thoroughly democratic administration.

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